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RATIONALE OF CIA RETIREMENT POLICY

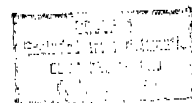
It is the responsibility of the Central Intelligence Agency to collect, digest, collate, and interpret the intelligence information required by the senior policy officers of the United States Government in making the decisions required of them in time of peace or of national peril. The CIA is the central U. S. intelligence agency. It has access to all other foreign intelligence produced by the United States.

The Central Intelligence Agency was established by Congress under the provisions of the National Security Act of 1947. It reports to the National Security Council of which the President is Chairman. The Council's primary mission is to appraise U. S. objectives, commitments, and risks in the light of the country's ability to achieve our national security objectives and to reach decisions on national policy and courses of action.

The mission of the CIA is to provide the most accurate, comprehensive, and objective information about national security matters together with whatever can be learned or deduced about possible impending foreign developments.

By the very nature of this mission, the value of the Agency's product can be measured only by the test of time. The credence placed in our efforts during our Government's decision-making process is therefore completely dependent upon the trust and confidence accorded the personnel of the Agency by both the contributors to and the users of our product. Any lessening of such trust and confidence in our personnel will result in a corresponding lessening of the weight accorded to our product, and to this extent, the Agency

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would be failing in its mission. Clearly the Agency's primary responsibility is to create and maintain an organization of persons who collectively are held in the highest esteem.

The basic requirement to staff the CIA with personnel of the highest quality possible and the need to maintain optimum level of performance was recognized by the Congress and the President in the enactment of the Central Intelligence Agency Act of 1949, as amended. Section 8 (originally section 10) of this Act gives the Director of Central Intelligence extraordinary authority to expend appropriated sums without regard to any other provisions of law for, among other things, the employment, logistical support of, and education and training of the personnel required to accomplish the Agency's mission. Equally significant, and of broader inference, section 102(c) of the National Security Act of 1947 gives the Director, in his discretion, the authority to terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States.

In terms of the staffing of the CIA, the effect of the basic statutes cited above effectively exempts the Agency from the Veterans Preference Act and the Federal Employees Pay Act. In addition, the Agency is specifically exempted from the Classification Act of 1949. The result is that no employee of the Agency has legal tenure or retention status derived from the provisions of any Act other than the Central Intelligence Agency Act of 1949, as amended, and the Agency's own administrative regulations.

To implement its inherent responsibility to initially employ and to maintain the staff of the Agency at an optimum level of competence, viability,

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integrity, and healthful vigor, the Agency has developed one of, if not the most, comprehensive programs of personnel management that exists in Government. Initial selection for employment is based on a nationwide search for persons of the highest qualifications regardless of the level of work they will initially perform or their area of vocational specialization. Superior qualifications, character, and high potential for development are the key criteria in the selection of new employees. Their subsequent utilization is based on a philosophy of career development featured by on-the-job training which is achieved by movement through a wide spectrum of varied, though related, positions of increasing responsibility, by a continuing program of formal training and advanced education as appropriate, by a continuing program of reassessment of mental and physical health, personal attributes and character, and by a vigorous program to separate from employment those individuals who for any reason can no longer be counted upon to perform at the optimum level deemed essential in the best interests of the United States.

The inherent problem in seeking to employ only those who have superior qualifications is that such persons are well aware of alternative career opportunities available in their chosen field of academic and vocational specialization. Regardless of patriotic and other motivations that might incline them toward employment with the CIA, they will closely examine the Agency for evidence that opportunities exist for their development and advancement at a rate no less favorable than that they would experience with other employers.

Experience shows that Agency employees expect to be at or near their

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career peaks by the time they are age 50. The Agency, however, cannot provide such a rate of career development and advancement in the absence of an effective and psychologically acceptable means of limiting the span of employment. Federal civilian employees are generally eligible to work until age 70. Reports on the Civil Service Retirement System show that most employees desire to retire between ages 65 and 66. It is reasonable to assume that the vast majority of CIA employees would also desire to retire at these same ages with only small numbers retiring earlier or later.

In the absence of a policy limiting the career span of CIA employees, those reaching their career peaks at about age 50 would of necessity remain at these levels and in their positions from age 50 to 65 or older--a span of 15 or more years. Adverse results are unavoidable. Not only will there be in time a loss of initiative, creativeness, and enthusiasm among those at the peak of their careers, but career progression will be impeded and delayed for all persons in lower levels. Normal attrition from various causes will provide relief; however, the Agency has always had an exceptionally low rate of attrition as compared to most, if not all, other agencies of its general size. It is an inescapable conclusion that opportunities to develop, stimulate, and challenge personnel by means of steady and progressive reassignment to positions of increasing responsibility and higher rewards will be drastically curtailed. The inevitable result would be early resignations, particularly among the best employees. Within a few years, general knowledge of the slowness of career advancement in CIA would preclude even the initial recruitment of high caliber people. The only solution to the problem appears to be the adoption of some policy which would generally effect a shorter career span

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than that from age 30 to age 65 or 70.

There is yet another factor that focuses attention on the need to limit the career span in CIA. Our inherent responsibility to staff the organization with persons qualified and able to perform at optimum level of performance raises the question of the effect of the aging process itself on ability to perform at optimum levels. It is clear that the term "optimum level of performance" is an abstract measurement, but it is equally clear that the term must be related to the fact that Agency responsibilities must be carried out to the satisfaction and with the full confidence of the highest levels of policy decision in our Government. In this relationship, optimum level of performance can only be defined as superlative performance--requiring great dedication, determination, high initiative, continuous study, and self-development.

It follows that serious consideration must be given to the effect of the aging process itself upon the intellectual processes, the dynamism, the objectivity, and the learning ability of individuals. It is undeniable that the aging process is regressive in terms of many of the characteristics inherent in optimum performance although no precise conclusion can or should be reached as to the age at which a significant diminution in ability to perform at optimum level may occur. The variation among individuals is extremely great and the effect of aging will vary with the type and level of the individual's duties. Nevertheless approximately ____% of all Agency employees in grade GS-____ and above will attain age 60 within ____ years and the retention of a substantial portion beyond that age will unquestionably result in a significant impairment of overall Agency effectiveness.

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A combination of the preceding considerations led the Director of Central Intelligence, with the counsel of his senior advisers, to the conclusion in 1959 that all Agency employees should retire as soon after attaining age 60 as they were eligible for an annuity unreduced for age. The major considerations were:

- a. The need for a rate of career progression compatible with the requirements of the caliber of employees required to do the work of the Agency.
- b. The need to accelerate Agency attrition through a shortened career span to maintain an environment favorable to a program of internal career development through progressive job rotation including assignments between Headquarters and the field.
- c. The need to shorten the tenure of officers and employees who had attained peak levels in their fields of vocational specialization and thereby provide greater opportunity to bring to senior levels persons who might possess higher qualifications and potential than their predecessors.
- d. A conviction that the regressive effect of aging becomes significant for most individuals somewhere between ages 50 and 60 and that the existence of a substantial number of employees over age 60 would in fact lead to less than optimum level of Agency performance.

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